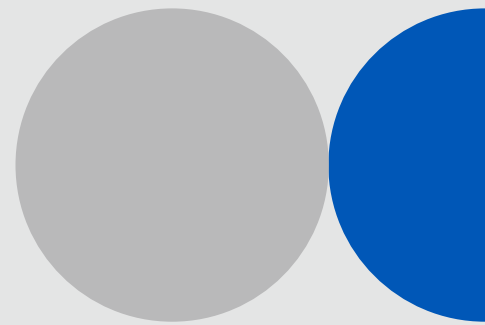


# abr dn Asia Focus plc

A fundamental, high conviction portfolio of well-researched Asian small caps

Performance Data and Analytics to 30 June 2024



## Investment objective

The Company aims to maximise total return to shareholders over the long term from a portfolio made up predominantly of quoted smaller companies in the economies of Asia excluding Japan.

The full investment policy is available for download on the Company's website.

## Comparative benchmark

With effect from 1 August 2021 the MSCI AC Asia ex Japan Small Cap Index (currency adjusted) has been adopted as the comparative index and performance is also measured against the peer group. Given the Manager's investment style, it is likely that performance will diverge, possibly quite dramatically in either direction, from the comparative index. The Manager seeks to minimise risk by using in depth research and does not see divergence from an index as risk.

## Cumulative performance (%)

	as at 30/06/24	1 month	3 months	6 months	1 year	3 years	5 years	Since BM Change 31/7/21
Share Price	282.0p	3.3	7.2	7.3	16.6	18.3	45.4	16.5
Diluted NAV <sup>A</sup>	342.0p	5.0	8.4	10.8	19.1	22.3	52.8	20.0
Composite Benchmark		4.3	7.7	9.3	21.9	17.1	63.2	19.1

## Discrete performance (%)

	30/06/24	30/06/23	30/06/22	30/06/21	30/06/20
Share Price	16.6	2.4	-0.9	37.6	-10.6
Diluted NAV <sup>A</sup>	19.1	5.4	-2.5	33.8	-6.6
Composite Benchmark	21.9	4.9	-8.5	41.6	-1.51

Total return; NAV cum income, with net income reinvested, GBP. Share price total return is on a mid-to-mid basis. Dividend calculations are to reinvest as at the ex-dividend date. NAV returns based on NAVs with debt valued at fair value. Source: abr dn Investments Limited and Morningstar.

**Past performance is not a guide to future results.**

<sup>A</sup> Including current year revenue.

© 2024 Morningstar. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results. For more detailed information about Morningstar's Analyst Rating, including its methodology, please go to: <http://corporate.morningstar.com/us/documents/MethodologyDocuments/AnalystRatingforFundsMethodology.pdf> The Morningstar Analyst Rating for Funds is a forward-looking analysis of a fund. Morningstar has identified five key areas crucial to predicting the future success of a fund: People, Parent, Process, Performance, and Price. The pillars are used in determining the Morningstar Analyst Rating for a fund. Morningstar Analyst Ratings are assigned on a five-tier scale running from Gold to Negative. The top three ratings, Gold, Silver, and Bronze, all indicate that our analysts think highly of a fund; the difference between them corresponds to differences in the level of analyst conviction in a fund's ability to outperform its benchmark and peers through time, within the context of the level of risk taken over the long term. Neutral represents funds in which our analysts don't have a strong positive or negative conviction over the long term and Negative represents funds that possess at least one flaw that our analysts believe is likely to significantly hamper future performance over the long term. Long term is defined as a full market cycle or at least five years. Past performance of a security may or may not be sustained in future and is no indication of future performance. For detailed information about the Morningstar Analyst Rating for Funds, please visit <http://global.morningstar.com/managerdisclosures>.

## Morningstar Rating™



<sup>B</sup> Morningstar Rating™ for Funds

Morningstar rates funds from one to five stars based on how well they've performed (after adjusting for risk and accounting for all sales charges) in comparison to similar funds.



## Ten largest equity holdings (%)

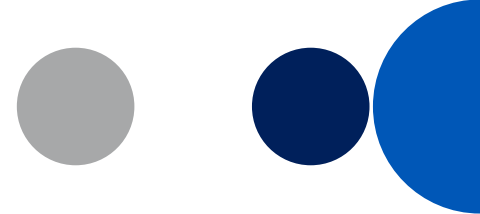
Aegis Logistics	India	4.6
FPT Corp	Vietnam	4.5
Park Systems	Korea	3.7
Prestige Estates Projects	India	3.5
AKR Corp	Indonesia	3.2
Bank OCBC Nisp	Indonesia	3.0
Taiwan Union Technology	Taiwan	2.9
John Keells	Sri Lanka	2.8
MP Evans Group	United Kingdom	2.5
Leeno Industrial	Korea	2.4
<b>Total</b>		<b>33.1</b>

## Country allocation (%)

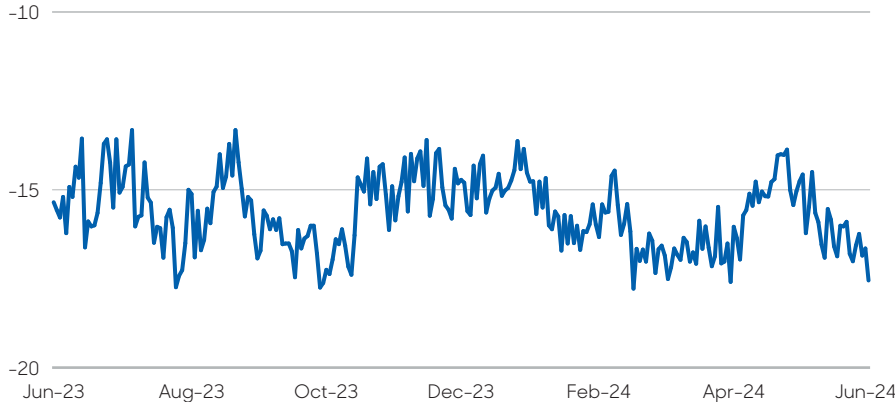
	Trust	MSCI AC Asia ex Japan Small Cap Index	Month's market change
India	27.8	32.9	10.7
Taiwan	13.4	26.1	5.4
Indonesia	9.6	1.8	0.8
Korea	9.4	14.1	2.9
China	8.9	9.5	(4.7)
Vietnam	7.7	-	-
Hong Kong	4.7	3.6	(2.7)
Malaysia	3.9	3.0	1.5
Thailand	3.8	3.1	(5.5)
Philippines	3.2	0.8	(3.8)
Sri Lanka	2.8	-	-
United Kingdom	2.5	-	-
New Zealand	1.2	-	-
Singapore	0.5	5.1	(1.5)
Cash	0.7	-	-
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	

MSCI AC Asia ex Japan Small Cap. Month's market change represents the individual country returns calculated using the MSCI Index series (£). Market change is Total Return in GBP. Index may not add up to 100 due to rounding. Source: abr dn Investments Limited and MSCI. All sources (unless indicated): abr dn: 30 June 2024.





## 1 Year Premium/Discount Chart (%)



## Fund managers' report

### Market Review

Asian small-cap stocks posted decent gains in June, marking a strong finish to the second quarter as they outperformed most developed markets in Europe and the US. The benchmark MSCI AC Asia Ex Japan Small Cap Index returned 4.28% in sterling terms, while the Trust outperformed the benchmark by 69 basis points (bps) on a NAV basis. In relative terms, a below-index exposure to Singapore and China, stock selection in Hong Kong and our non-benchmark exposure to Vietnam contributed to relative returns. At the sector level, energy and real estate were among the top contributors. On the other hand, stock selection in Taiwan was the largest detractor.

In terms of market review, sentiment among Asian small caps was helped by better-than-expected corporate earnings and the European Central Bank decision to cut interest rates, which raised hopes that other central banks, especially the US Federal Reserve, will follow suit in the second half of the year. The Indian market continued its good run despite initial volatility, after a surprising election outcome saw the ruling Bharatiya Janata Party (BJP) fail to secure a single-party majority. However, the market recovered quickly after the BJP, led by Prime Minister Narendra Modi, formed a coalition government with its key allies. Meanwhile, markets in Taiwan and Korea remained supported by continued strength in the technology sector, alongside artificial intelligence (AI)-driven optimism.

On the other hand, mainland Chinese stocks came under pressure due to mixed economic data releases, a dial down of expectations around significant policy stimulus to be announced at the Third Plenum in July, and the possibility of further US tariffs and sanctions.

At the stock level, the top contributor to relative returns was Aegis Logistics. The company continued to benefit from India's shift away from fossil fuels towards cleaner energy, with demand for liquefied petroleum gas (LPG) underscored by its cost competitiveness relative to alternative energy sources. Exposure to property developer Prestige Estates was also helpful. Initially, the stock took a short breather after an election that saw a coalition government come into power. But its share

### Fund managers' report continues overleaf

<sup>c</sup> Expressed as a percentage of average daily net assets for the year ended 31 July 2023. The Ongoing Charges Figure (OCF) is the overall cost shown as a percentage of the value of the assets of the Company. It is made up of the Annual Management Fee and other charges. It does not include any costs associated with buying shares in the Company or the cost of buying and selling stocks within the Company. The Ongoing Charges figure can help you compare the annual operating expenses of different Companies.

<sup>d</sup> with effect from 1 August 2021, 0.85% per annum for the first £250 million of the Company's market capitalisation, 0.6% per annum for the next £500 million, and 0.5% per annum for market capitalisation of £750 million and above, based on the closing Ordinary share price quoted on the London Stock Exchange multiplied by the number of Ordinary Shares in issue (excluding those held in treasury), valued monthly.

<sup>e</sup> Calculated using the Company's publicly announced target dividend yield of 6.4p for the year ending 31 July 2022 and month end share price.

<sup>f</sup> Net gearing is defined as a percentage, with net debt (total debt less cash/cash equivalents) divided by shareholders' funds.

<sup>g</sup> The 'Active Share' percentage is a measure used to describe what proportion of the Company's holdings differ from the benchmark index holdings.

Total number of investments 59

### Fund risk statistics

	3 Years	5 Years
Annualised Standard Deviation of Fund	11.57	15.04
Beta	0.90	0.88
Sharpe Ratio	0.41	0.46
Annualised Tracking Error	3.98	5.08
Annualised Information Ratio	0.52	-0.28
R-Squared	0.90	0.90

Source: abrdrn & Factset.  
Basis: Total Return, Gross of Fees, GBP.  
Please note that risk analytics figures are calculated on gross returns whereas the performance figures are based on net asset value (NAV) returns.

### Key information

#### Calendar

Year end	31 July
Accounts published	October
Annual General Meeting	December
Dividends paid	March, June, September, December
Launch date	October 1995
Fund managers	Flavia Cheong, Gabriel Sacks, Xin-Yao Ng,
Ongoing charges <sup>c</sup>	0.92%
Annual management fee <sup>d</sup>	0.85% Market Cap (tiered)
Premium/(Discount) with debt at fair value	(17.55%)
Yield <sup>e</sup>	3.1%
Net cash/(gearing) with debt at par <sup>f</sup>	(11.8%)
Active share <sup>g</sup>	96.6%

### AIFMD Leverage Limits

Gross Notional	2.5x
Commitment	2x



## Fund managers' report – continued

price recovered subsequently as the domestic real estate cycle in India remained on a rising trajectory, while the company took further action to strengthen its balance sheet. Our core software and services holding in Vietnam, FPT Corp., also contributed after it posted solid earnings results despite a challenging domestic economic backdrop. Elsewhere, Taiwanese electronic test and measurement instrumentation company Chroma ATE was another bright spot as management indicated strong demand ahead as a key customer increased its AI-related orders. We stay positive on Chroma as a key AI beneficiary.

Conversely, technology companies Leeno Industrial in South Korea and Alchip Technologies in Taiwan were among the leading detractors to performance as they both saw some profit-taking following prior strength. We continue to have a positive outlook for both companies. Similarly, India's Vijaya Diagnostic Centre also came under pressure due to profit-taking after a strong run in May following the release of healthy financial results.

In terms of key portfolio activity in June, we initiated a position in 360 One WAM, the leading wealth manager to ultra-high net worth individuals in India with a complementary asset management business. The company has been growing at a fast pace and the outlook remains rosy as wealth accumulation in this segment of the market is growing faster than average as a result of buoyant capital markets and an acceleration in stake sales by promoters. Management points to their greater focus and superior service levels as a key competitive advantage versus the private banks, on top of their strong technology platform, brand and people.

Elsewhere, we also bought into South Korea's Hansol Chemical, a diversified electronic materials company which supplies key inputs to the world's leading semiconductor players, while also producing EV battery materials for Samsung SDI and SK Innovation. Aside from domestic dominance in fine chemicals for memory chipmakers, Hansol is globally competitive and a leader in several segments, supported by strong technical know-how, a good history of product innovation and a diversified product suite that adds stability to the business.

In contrast, we exited a rump position in Aeon Stores Hong Kong as well as China's Sinoma Science & Technology to fund better opportunities elsewhere.

### Outlook

We continue to be positive on the outlook for Asian small caps, even though we see short-term noise and volatility ahead of the US presidential election in November. Rates and inflation have likely peaked in the US, setting the scene for rate cuts in Asia, albeit the performance of the companies in the portfolio is not reliant on that development. The outlook is potentially bright due to the broad-based growth across Asia and the fundamental strength of the companies in the portfolio which are typically leaders in the industries or markets in which they operate. Furthermore, rising capital expenditure associated with the turnaround in the IT and semiconductor cycle, green transition and near-shoring should continue to benefit companies and countries in Asia. Meanwhile, China is showing signs of bottoming and recent corporate results have underscored the strength of some business franchises. Ultimately, we continue to have conviction in our holdings and their ability to navigate the various crosswinds buffeting markets.

Over the longer term, we see the most attractive opportunities around some key structural growth themes in Asia. Rising affluence is spurring growth in premium consumption across sectors, including consumer discretionary, while urbanisation and an infrastructure boom is set to benefit several industrial and financial services businesses. Growing technology adoption and integration means a bright future for domestic software and IT services, while Asia's tech hardware supply chains remain imperative for the rollout of 5G, big data and digital interconnectivity globally. In healthcare, Asia is home to a diverse range of companies leading advancements in biotech and medical device technology. The region is also in the driver's seat when it comes to the green transition with plays on renewable energy, batteries, EVs and related infrastructure.

**The risks outlined overleaf relating to gearing, emerging markets, small companies and exchange rate movements are particularly relevant to this trust but should be read in conjunction with all warnings and comments given.**

**Important information overleaf**

### Assets/Debt (£m)

Gross Assets	589.2
Debt (CULS + bank loan)	66.3
Cash & cash equivalents	4.4

### Capital structure

Ordinary shares	153,721,718
Treasury shares	54,999,590
Convertible Unsecured Loan Stock 2025 (CULS) at nominal value	£36,574,720

### Allocation of management fees and finance costs

Capital	75%
Revenue	25%

### Trading details

Reuters/Epic/Bloomberg code	AAS
ISIN Code	GB00BMF19B58
Sedol code	BMF19B5
Stockbrokers	Panmure Liberum
Market makers	SETSmm



### Factsheet

Receive the factsheet by email as soon as it is available by registering at [www.abrdrn.com/trustupdates](http://www.abrdrn.com/trustupdates) [www.asia-focus.co.uk](http://www.asia-focus.co.uk)



### Contact

**Private investors**  
trusts@abrdrn.com

**Institutional Investors**  
InvestmentTrustInvestorRelations-UK@abrdrn.com

**Ben Heatley**  
Head of Closed End Fund Sales  
Ben.Heatley@abrdrn.com

## Important information

### Risk factors you should consider prior to investing:

- The value of investments, and the income from them, can go down as well as up and investors may get back less than the amount invested.
- Past performance is not a guide to future results.
- Investment in the Company may not be appropriate for investors who plan to withdraw their money within 5 years.
- The Company may borrow to finance further investment (gearing). The use of gearing is likely to lead to volatility in the Net Asset Value (NAV) meaning that any movement in the value of the company's assets will result in a magnified movement in the NAV.
- The Company may accumulate investment positions which represent more than normal trading volumes which may make it difficult to realise investments and may lead to volatility in the market price of the Company's shares.
- The Company may charge expenses to capital which may erode the capital value of the investment.
- The Company invests in smaller companies which are likely to carry a higher degree of risk than larger companies.
- Movements in exchange rates will impact on both the level of income received and the capital value of your investment.
- There is no guarantee that the market price of the Company's shares will fully reflect their underlying Net Asset Value.
- As with all stock exchange investments the value of the Company's shares purchased will immediately fall by the difference between the buying and selling prices, the bid-offer spread. If trading volumes fall, the bid-offer spread can widen.
- The Company invests in emerging markets which tend to be more volatile than mature markets and the value of your investment could move sharply up or down.
- Specialist funds which invest in small markets or sectors of industry are likely to be more volatile than more diversified trusts.
- Yields are estimated figures and may fluctuate, there are no guarantees that future dividends will match or exceed historic dividends and certain investors may be subject to further tax on dividends.

### Other important information:

An investment trust should be considered only as part of a balanced portfolio. The information contained in this document should not be considered as an offer, solicitation or investment recommendation to deal in the shares of any securities or financial instruments. It is not intended for distribution or use by any person or entity who is a citizen or resident of or located in any jurisdiction where such distribution, publication or use would be prohibited. Nothing herein constitutes investment, legal, tax or other advice and is not to be relied upon in making an investment or other decision. No recommendation is made, positive or otherwise, regarding individual securities mentioned. This is not an invitation to subscribe for shares and is by way of information only. Investment should only be following a review of the current Key Information Document (KID) and pre-investment disclosure document (PID) both of which are available on [www.invtrus.co.uk](http://www.invtrus.co.uk). Any data contained herein which is attributed to a third party ("Third Party Data") is the property of (a) third party supplier(s) (the "Owner") and is licensed for use by abrdn\*. Third Party Data may not be copied or distributed. Third Party Data is provided "as is" and is not warranted to be accurate, complete or timely. To the extent permitted by applicable law, none of the Owner, abrdn\* or any other third party (including any third party involved in providing and/or compiling Third Party Data) shall have any liability for Third Party Data or for any use made of Third Party Data. Neither the Owner nor any other third party sponsors, endorses or promotes the fund or product to which Third Party Data relates. \* abrdn means the relevant member of abrdn group, being abrdn plc together with its subsidiaries, subsidiary undertakings and associated companies (whether direct or indirect) from time to time.

The MSCI information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis, should not be taken as an indication or guarantee of any future performance analysis forecast or prediction. The MSCI information is provided on an "as is" basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively, the "MSCI" Parties) expressly disclaims all warranties (including without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages ([www.msci.com](http://www.msci.com)).

Issued by abrdn Fund Managers Limited, registered in England and Wales (740118) at 280 Bishopsgate, London, EC2M 4AG, authorised and regulated by the Financial Conduct Authority in the UK.

For more information visit [abrdn.com/trusts](http://abrdn.com/trusts)

**[abrdn.com/trusts](http://abrdn.com/trusts)**